

Message Text

UNCLASSIFIED

PAGE 01 STATE 073614
ORIGIN L-03

INFO OCT-01 EUR-12 IO-13 ISO-00 FEA-01 ERDA-07 AID-05
CEA-01 CIAE-00 COME-00 DODE-00 EB-08 FPC-01 H-02
INR-07 INT-05 NSAE-00 NSC-05 OMB-01 PM-04 USIA-15
OES-06 SP-02 SS-15 STR-04 TRSE-00 ACDA-10 PA-02
PRS-01 /131 R

DRAFTED BY L/OES:RJBETTAUER:MCP
APPROVED BY L/OES:RJBETTAUER
-----030700Z 042482 /22

P R 022223Z APR 77
FM SECSTATE WASHDC
TO AMEMBASSY BONN PRIORITY
INFO USMISSION IAEA VIENNA
USMISSION OECD PARIS

UNCLAS STATE 073614

E.O. 11652: N/A

TAGS: NERG

SUBJECT: PRICE-ANDERSON ACT

1. AS REQUESTED BY TELEPHONE, FOLLOWING IS TEXT OF ARTICLE
FROM WASHINGTON POST ON APRIL 1. WE WILL POUCH COPY OF
DECISION AS SOON AS AVAILABLE.

2. BEGIN TEXT: JUDGE VOIDS LAW LIMITING LIABILITY FOR
A-ACCIDENTS

A FEDERAL DISTRICT JUDGE YESTERDAY DECLARED UNCONSTITUTIONAL
THE LAW THAT LIMITS THE FINANCIAL LIABILITY OF POWER COM-
PANIES FOR NUCLEAR ACCIDENTS.

IF ALLOWED TO STAND, THE RULING WOULD LEAVE NUCLEAR POWER
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 STATE 073614

COMPANIES OPEN TO UNLIMITED LIABILITY CLAIMS AND RAISE
MAJOR DOUBTS ABOUT THE FUTURE OF ATOMIC ENERGY IN THE U.S.

JUDGE JAMES B. MCMILLAN OF THE WESTERN DISTRICT OF NORTH
CAROLINA STRUCK DOWN THE PRICE-ANDERSON ACT AS AN UNCONSTI-
TUTIONAL DEPRIVATION OF PROPERTY WITHOUT THE PROCESS OF
LAW.

THE LAW LIMITS LIABILITY IN A SINGLE NUCLEAR MISHAP TO

560 MILLION DOLLARS.

THE LAW ALSO LIMITS PRIVATE FIRMS LIABILITY FOR A NUCLEAR ACCIDENT TO 95 MILLION DOLLARS; THE REST 465 MILLION DOLLARS- WOULD COME FROM PUBLIC FUNDS.

WILLIAM SHULTZ, AN ATTORNEY FOR THE CAROLINA ENVIRONMENTAL STUDY, SAID HIS GROUP AND ABOUT 40 INDIVIDUALS CHALLENGED THE LAW IN A SUIT AGAINST THE ATOMIC ENERGY COMMISSION, NOW THE NUCLEAR REGULATORY COMMISSION, AND DUKE POWER CO., WHICH IS BUILDING TWO ATOMIC PLANTS NEAR CHARLOTTE, N.C.

THE SUIT ARGUED THAT A SERIOUS ACCIDENT AT A NUCLEAR POWER PLANT COULD RELEASE LARGE AMOUNTS OF RADIOACTIVE MATERIALS CAUSING THOUSANDS OF DEATHS OR ILLNESSES OR HUMAN INJURY AND PROPERTY LOSSES VALUED AT MANY TIMES THE 580 MILLION DOLLAR LIMIT.

IF SO, THEY ARGUED, THE PUBLIC WOULD SUFFER BILLIONS OF DOLLARS OF DAMAGE THAT THE LAW WOULD ARBITRARILY PREVENT THEM FROM RECOVERING.

THE PRICE-ANDERSON ACT WAS PASSED BY CONGRESS IN 1957 WHEN THE NUCLEAR POWER INDUSTRY, JUST GETTING STARTED, CLAIMED IT COULD NOT OBTAIN UNLIMITED LIABILITY ACCIDENT INSURANCE-AT LEAST AT A PRICE IT COULD AFFORD.
UNCLASSIFIED

UNCLASSIFIED

PAGE 03 STATE 073614

MCMILLAN'S DECISION THROWS THAT ISSUE WIDE OPEN AGAIN, AT A MOMENT WHEN RISING CONSTRUCTION COSTS AND SLOWER ELECTRICITY DEMAND HAVE CAUSED CANCELLATION OF MANY PLANNED NUCLEAR PLANTS.

CARL HORN JR. CHAIRMAN OF DUKE POWER CO., SAID MCMILLAN'S RULING WOULD BE APPEALED TO THE SUPREME COURT AND THE COMPANY WOULD CONTINUE CONSTRUCTION AT THE ONE BILLION DOLLAR MCGUIRE NUCLEAR GENERATING STATION NEAR CHARLOTTE, WHICH WAS THE FOCUS OF THE SUIT.

MCMILLAN'S RULING ONLY AFFECTS NUCLEAR POWER PLANTS IN HIS DISTRICT, THE WESTERN THIRD OF N.C. BUT HE BECAME THE FIRST JUDGE TO DECLARE THE ACT UNCONSTITUTIONAL, AND, IF UPHELD BY THE SUPREME COURT, HIS RULING WOULD AFFECT THE REST OF THE COUNTRY.

THE NUCLEAR INDUSTRY AND THE NRC SAY THE CHANCE OF A CATASTROPHIC ACCIDENT IS VERY SMALL.

TROPHIC NUCLEAR ACCIDENT AT A POWER PLANT IS EXTREMELY
REMOTE. END TEXT
VANCE

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PRESS COMMENTS, INSURANCE, LITIGATION, NUCLEAR SAFEGUARDS, NUCLEAR HAZARDS, COURT DECISIONS, ACCIDENTS, PRICE-ANDERSON ACT
Control Number: n/a
Copy: SINGLE
Sent Date: 02-Apr-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977STATE073614
Document Source: CORE
Document Unique ID: 00
Drafter: RJBETTAUER:MCP
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770115-1156
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770494/aaaaddyd.tel
Line Count: 119
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 585301ab-c288-dd11-92da-001cc4696bcc
Office: ORIGIN L
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05-Jan-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2915923
Secure: OPEN
Status: NATIVE
Subject: PRICE-ANDERSON ACT
TAGS: ENRG, TECH, US, NRC, (MCMILLAN, JAMES B)
To: BONN
Type: TE
vdkgvkey: odb://SAS/SAS.dbo.SAS_Docs/585301ab-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009